

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 512

BY STATE AFFAIRS COMMITTEE

AN ACT

RELATING TO INCOME TAXATION; AMENDING CHAPTER 30, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-3089, IDAHO CODE, TO PROVIDE DESIGNATION BY INDIVIDUALS OF INCOME TAX REFUNDS TO THE ELECTION CAMPAIGN FUND AND TO PROVIDE THAT INDIVIDUALS WITH INCOME TAX LIABILITY MAY DESIGNATE TO THE ELECTION CAMPAIGN FUND, TO DEFINE TERMS AND TO PROVIDE ADMINISTRATIVE PROCEDURES FOR USE OF MONEYS IN THE ELECTION CAMPAIGN FUND; DECLARING AN EMERGENCY AND PROVIDING RETROACTIVE APPLICATION.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Chapter 30, Title 63, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 63-3089, Idaho Code, and to read as follows:

63-3089. DESIGNATION BY INDIVIDUALS. (1) Every individual:

(a) Who has a refund due and payable for overpayment of taxes under the provisions of this chapter may designate all or any portion thereof not in excess of fifty dollars (\$50.00) to be deposited in the election campaign fund established by this chapter; or

(b) Who has an income tax liability may, in addition to his tax obligation, include a donation not in excess of fifty dollars (\$50.00) to be deposited in the election campaign fund established by this chapter.

(2) For the purposes of subsection (1) of this section, the income tax liability of an individual for any taxable year is the amount of the tax imposed by the Idaho income tax act, reduced by the sum of the credits authorized by that act.

(3) A designation under subsection (1) of this section may be made with respect to any taxable year, in such manner as the state tax commission may prescribe by rules, at the time of filing the return of the tax imposed by the Idaho income tax act. Prior to the distribution of funds to the political campaign fund, the state tax commission shall retain funds for the commission's costs for collecting and administering the moneys in the accounts as follows: three thousand dollars (\$3,000) from each account for start-up costs during the first year of collections; and three thousand dollars (\$3,000) or twenty percent (20%) of the moneys remitted to each account during the fiscal year, whichever is less, from each account during each fiscal year thereafter, which amounts are hereby appropriated to the tax commission.

(4) The form and manner prescribed by the state tax commission shall include a list of all political parties, as defined in section 34-501, Idaho Code, qualifying as of July 1 of the current tax year, to allow the individual to designate any of such parties to receive the contribution and allowance

1 for an undesignated contribution to be credited to the general election  
2 campaign fund to be distributed as provided by section 34-2503, Idaho Code.

3 (5) The form and manner prescribed by the state tax commission shall  
4 be a conspicuous portion of the principal form provided for purposes of  
5 individual taxation.

6 (6) As used in this section, the following terms have the following  
7 meanings:

8 (a) "Board" means the state board of examiners provided in section  
9 67-2001, Idaho Code.

10 (b) "Committee" means the state central committee as provided in  
11 section 34-504, Idaho Code.

12 (c) "Election campaign fund" or "fund" means the fund created by  
13 section 34-2502, Idaho Code.

14 (d) "Political party" means an affiliation of electors representing  
15 a political group under a given name as authorized by section 34-501,  
16 Idaho Code:

17 (i) "Major political party" means a political party which at the  
18 last general election polled for any one of its candidates for  
19 state or national elective office more than ten percent (10%) of  
20 the vote cast for the office.

21 (ii) "Minor political party" means a political party which at  
22 the last general election polled for any one of its candidates for  
23 state or national elective office more than three percent (3%) but  
24 less than ten percent (10%) of the vote cast for the office.

25 (iii) "New political party" means an affiliation of electors who  
26 shall file with the secretary of state a petition that they desire  
27 recognition as a political party, which said petition shall meet  
28 the requirements as otherwise prescribed by law in section 34-501,  
29 Idaho Code.

30 (e) "General election" means the national, state and county election  
31 held on the first Tuesday succeeding the first Monday of November of  
32 each even-numbered year.

33 (f) "Qualified election expense" means an expense:

34 (i) Incurred by the state central committee in furthering the  
35 election of a candidate for office or attempting to influence any  
36 election;

37 (ii) Incurred within the expenditure report period as defined in  
38 this act, or incurred before the beginning of such period to the  
39 extent such expense is for property, service, or facilities used  
40 during such period;

41 (iii) Neither the incurring nor payment of which constitutes a  
42 violation of any of the laws of the United States or of the state of  
43 Idaho.

44 (g) "Expenditure report period" means from the day following the  
45 primary election (the Tuesday succeeding the first Monday of August in  
46 each even-numbered year) to the thirtieth day following the general  
47 election.

48 (7) There is hereby created and established in the treasury of the state  
49 of Idaho a fund to be known and designated as the "election campaign fund."  
50 The state controller shall maintain within the fund a separate account for

1 each party for which a specific designation is made under the provisions  
 2 of this section and shall keep a general account for moneys for which no  
 3 specific designation is made and which are to be distributed as provided in  
 4 this section. All moneys placed in the election campaign fund are hereby  
 5 perpetually appropriated to the board of examiners for administration and  
 6 allocation as provided by this act. All expenditures from the fund shall  
 7 be paid out in warrants drawn by the state controller upon presentation  
 8 of proper vouchers from the secretary of state. The provisions of section  
 9 67-3516(3) and (4), Idaho Code, are hereby specifically declared not to  
 10 apply to the administration of the election campaign fund.

11 (8) Each political party, through its central committee, shall be  
 12 eligible for payments from the fund in the following manner:

13 (a) Each party shall receive the amount of the fund which has been  
 14 designated by the contributing individuals and credited to the separate  
 15 account in the fund maintained for the party.

16 (b) Ninety percent (90%) of the fund which has not been designated, but  
 17 is credited to the general election campaign fund, shall be distributed  
 18 to the central committees in proportion to the share of the votes cast  
 19 for the candidate of the party for the office of governor in the last  
 20 election for governor, provided that no party shall receive more than  
 21 fifty percent (50%) of the fund so distributed. Any portion of the fund  
 22 not distributed shall revert to the fund and, together with the ten  
 23 percent (10%) reserved, be distributed in equal portions to all major,  
 24 minor and new political parties which have qualified candidates for  
 25 elective state office for the ballot in the next general election.

26 (c) The distribution provided by this section shall take place on the  
 27 Tuesday succeeding the first Monday of August in each year.

28 (9) All funds distributed to the political parties in this section  
 29 shall be deposited into the political party's account established under  
 30 chapter 66, title 67, Idaho Code, and all such funds shall be reported on the  
 31 disclosure reports required in that chapter.

32 (10) The board is authorized to prescribe such rules, to conduct such  
 33 examinations and audits, to conduct such investigations, and to require the  
 34 keeping and submission of such books, records and information as it deems  
 35 necessary to carry out the functions and duties imposed by this act. If the  
 36 board finds that any of the expenditures reported by the committee are not  
 37 qualified election expenses, it shall so notify the committee of the amount  
 38 deemed to have been not qualified. The committee shall be entitled to a  
 39 hearing by the board; if after the hearing by the board, the expenditures  
 40 are determined not to be qualified, such committee shall pay to the state  
 41 controller an amount equal to such amount to be credited to the public school  
 42 fund.

43 SECTION 2. An emergency existing therefor, which emergency is hereby  
 44 declared to exist, this act shall be in full force and effect on and after its  
 45 passage and approval, and retroactively to January 1, 2010.